

DRAFT

Westlawn Renaissance VII

Low-Income Housing Tax Credit Financial Analysis
September 30, 2021

Westlawn Renaissance VII
PROJECT ASSUMPTIONS

PROJECT INFORMATION

Partnership	Westlawn Renaissance VII
County	Milwaukee County
Number of Units	97
LP Formation	2022 5
Construction Start	2022 6
Construction Period	19
Operations	2023 4
Starting Month of Depreciation	4
Starting Month of Lease-Up	4
Absorption Rate (Mos.)	12
Credit % - 30% PV	4.00%
Credit % - 70% PV	9.00%
Qualified Census Tract	130.00%
LIH Credit Reserved	\$ 2,205,676
Project Cost	\$ 44,328,028
First Mortgage	4,560,162
HACM Loan/Grant	16,850,000
State LIHTC Equity	1,978,061
GP Equity	100
LIHTC Equity	20,290,190
Deferred Dev Fee	649,515

FINANCING ASSUMPTIONS

Construction Loan- Lender Amount	\$ 22,757,820
Construction Loan - NEED	\$ 22,757,820
Interest rate	4.00%
Term (months)	24
First Mortgage	\$ 4,560,162
Interest Rate	4.35%
Amortization (years)	35
Term (years)	35
Start Month	6
Start Year	2024
HACM Loan/Grant	\$ 16,850,000
Interest Rate	AFR
Amortization (years)	Cash Flow
Term (years)	50
GP Equity	\$ 100
Deferred Developer Fee	\$ 649,515
Interest Rate	0.00%

SYNDICATION INFORMATION

Limited Partner's Capital Contribution			Percent of Ownership	
Entry Date:	Year	2022	General Partner	0.01%
	Month	5	Limited Partner	99.99%
	Day	1	Total	100.00%
State LIHTC Equity			Cash Flow Distribution	
Federal LIHTC Equity			General Partner	0.01%
Total Investor Capital			Limited Partner	99.99%
			Total	100.00%
Investor Federal Tax Rate			Income, Loss & Credits	
1st Contribution			General Partner	0.0100%
Closing			Limited Partner	99.99%
10.00%			Total	100.00%
2nd Contribution			State Historic Tax Credits	
Completion			General Partner	0.0100%
75.00%			Limited Partner	99.99%
			Total	100.00%
3rd Contribution			Federal Historic Tax Credits	
Stabilization / Perm Conv			General Partner	0.0100%
10.00%			Limited Partner	99.99%
			Total	100.00%
4th Contribution			Sale Proceeds Distribution	
8609			General Partner	90.00%
5.00%			Limited Partner	10.00%
			Total	100.00%
Developer Fee Pay-in Schedule				
1st Contribution				
Closing				
2nd Contribution				
Completion				
3rd Contribution				
Stabilization / Perm Conv				
4th Contribution				
8609				
Price Per Credit				
Federal Low Income Housing				
WI Low Income Housing				

OPERATING EXPENSES

	Total	Per Unit		
Administrative	\$ 103,000	1,062		
Maintenance	195,500	2,015		
Operating	191,865	1,978		
Real Estate Taxes	26,162	270		
	516,527	5,325		
Replacement Reserve	29,100	300		
Property Management Fee	6.0% 54,560	562	PUPM	
Total	600,187	6,187	\$	515.62

Annual Operating Exp. Increase	3.00%
Annual Real Estate Tax Increase	3.00%
Annual Management Fee Increase	3.00%
Annual Reserve Increase	3.00%
Interest rate on reserves	0.00%

CASH FLOW DISTRIBUTION

LP Asset Management Fee	\$ 5,000	3% / yr
Cash Flow Debt	50%	
GP Partnership Management Fee	100%	of remaining cash flow, non accruing

RENTAL INCOME

unit mix per 8/20/2021

est

Number of Bedrooms	Units	AMI Set Aside %	Baths	SF per Unit	Monthly Net Rent	Monthly Utility	Monthly Gross Rent	Total Monthly Rent
18 Unit Apartments - The Hickory								
1 Bedroom RAD	7	60%	1.0	727	531	99.00	630	3,717
1 Bedroom LIHTC	1	60%	1.0	834	531	99.00	630	531
2 Bedroom RAD	8	60%	1.0	1,284	670	122.00	792	5,360
2 Bedroom RAD	2	60%	1.0	1,628	670	122.00	792	1,340
Townhouses								
2 Bedroom RAD	2	80%	1.0	1,010	670	122.00	792	1,340
2 Bedroom RAD	4	60%	1.5	978	670	122.00	792	2,680
2 Bedroom PBV	20	60%	1.5	978	900	122.00	1,022	18,000
3 Bedroom RAD	8	60%	1.5	1,272	876	135.00	1,011	7,008
3 Bedroom RAD	24	60%	1.5	1,302	876	135.00	1,011	21,024
3 Bedroom LIHTC	3	60%	1.5	1,302	876	135.00	1,011	2,628
3 Bedroom RAD	6	80%	1.5	1,302	876	135.00	1,011	5,256
3 Bedroom RAD	2	60%	2.0	1,432	876	135.00	1,011	1,752
4 Bedroom RAD	2	60%	2.0	1,513	939	154.00	1,093	1,878
4 Bedroom RAD	2	80%	2.0	1,513	939	154.00	1,093	1,878
4 Bedroom RAD	1	60%	2.0	1,625	939	154.00	1,093	939
4 Bedroom RAD	5	60%	2.5	1,532	939	154.00	1,093	4,695
Total	97			116,286				80,026

Applicable Fraction 100.00% 100.00%
AHP

PBV	20
RAD PBV	77

Base Gross Residential Rent	\$ 960,312	Annually	PUPM
Rent Increases	2.000%	Other Income (vending etc) + Pets \$ 17,460	\$ 15.00
Other Income Increases	2.000%	Total 17,460	\$ 15.00
Residential Vacancy Loss	7.00%		
Commerical Vacancy Loss	25.00%		
EGI	909,328		

SOURCES OF FUNDS				Construction	Post Construction	Permanent						
First Mortgage				\$ -	\$ 4,560,162	\$ 4,560,162	10.3%					
State LIHTC Equity				197,806	1,780,255	1,978,061	4.5%					
HACM Loan/Grant				14,850,000	2,000,000	16,850,000	38.0%					
GP Equity				100	-	100	0.0%					
Federal LIHTC Equity				2,029,019	18,261,171	20,290,190	45.8%					
Deferred Dev Fee				-	649,515	649,515	14.7%					
Construction Loan				22,757,820	(22,757,820)	-						
Total Sources Of Funds				\$ 39,834,745	\$ 4,493,283	\$ 44,328,028						
USES OF FUNDS				Total Construction	Post Construction	Total Permanent	Building 27.5 Yr/SL	Personal Property 5 Yr/200%	Land Impr. 15 Yr/SL	Amortization	Non Depreciable/ Amortizable	4.0% Eligible Basis
Acquisition & Site Costs												
Land Costs				393,044	-	393,044					393,044	
Sitework				4,300,000	-	4,300,000	4,300,000	-	-	-	-	4,300,000
Construction Costs												
Residential Construction				\$ 266,000 \$ 249 25,802,000	-	25,802,000	25,802,000	-	-	-	-	25,802,000
Commercial Space				\$ 200 343,200	-	343,200	-	-	-	-	343,200	-
General Requirements - 5%				5% 1,505,100	-	1,505,100	1,505,100	-	-	-	-	1,505,100
Contractor Overhead - 2%				2% 632,142	-	632,142	632,142	-	-	-	-	632,142
Contractor Profit - 5%				5% 1,611,962	-	1,611,962	1,611,962	-	-	-	-	1,611,962
Construction Contingency - 5%				5% 1,692,560	-	1,692,560	1,692,560	-	-	-	-	1,692,560
Engineering & Architectural												
Architect: Design				291,000	-	291,000	291,000	-	-	-	-	291,000
Engineering				1,000,000	-	1,000,000	1,000,000	-	-	-	-	1,000,000
Survey				50,000	-	50,000	50,000	-	-	-	-	50,000
Construction Interest & Fees												
Insurance - Builders Risk				50,000	-	50,000	50,000	-	-	-	-	50,000
Construction Interest				583,579	-	583,579	477,730	-	-	-	105,849	477,730
Construction Loan Origination				1% 227,578	-	227,578	227,578	-	-	-	-	-
Construction Loan Documentation Fees				15,000	-	15,000	15,000	-	-	-	-	15,000
Inspection Fees				15,000	-	15,000	15,000	-	-	-	-	15,000
Permanent Financing												
Perm Loan Origination Fee				1.5% 68,402	-	68,402	-	-	-	68,402	-	
Title and Recording				45,000	-	45,000	-	-	-	45,000	-	
Perm Loan Application Fee				500	-	500	-	-	-	500	-	
Soft Costs												
Market Study				9,000	-	9,000	9,000	-	-	-	-	9,000
Appraisal				7,200	-	7,200	7,200	-	-	-	-	7,200
Environmental Reports				10,000	-	10,000	10,000	-	-	-	-	10,000
Tax Credit Fees				251,451	-	251,451	-	-	-	251,451	-	
Soft Cost Contingency				30,000	-	30,000	30,000	-	-	-	-	30,000
Accounting				88,656	-	88,656	88,656	-	-	-	-	88,656
Cost Certification				15,000	-	15,000	-	-	-	-	15,000	
Consulting				265,968	-	265,968	265,968	-	-	-	-	265,968
GP Legal Fees				150,000	-	150,000	150,000	-	-	-	-	150,000
Syndication Costs												
Organization				5,000	-	5,000	-	-	-	5,000	-	
Developer Fees / Reserves												
Developer Fee				376,402	4,037,132	4,413,534	4,413,534	-	-	-	-	4,413,534
Replacement Reserve				-	29,100	29,100					29,100	
Operating and DS Reserve - 6 months				-	427,051	427,051					427,051	
Total Uses Of Funds				\$ 39,834,745	\$ 4,493,283	\$ 44,328,028	\$ 42,644,431	\$ -	\$ -	\$ 370,353	\$ 1,313,244	\$ 42,416,853

ACQUISITION CREDIT	
Acquisition price	393,044
Less: Land & other non-depreciable costs	(393,044)
Less: Other	-
Adjusted Eligible Basis	-
Qualified Census Tract Adjustment	100.00%
Eligible Basis	-
Applicable Fraction (Low Inc. %)	100.00%
Qualified Basis	-
Credit Percentage (30% PV)	4.00%
Potential Annual Credit	-

CONSTRUCTION / REHAB CREDIT	
Eligible Building Basis	42,416,853
Less: Acquisition Credit	-
Less: Federal HTC - Residential	-
Adjusted Eligible Basis	42,416,853
Qualified Census Tract Adjustment	130.00%
Eligible Basis	55,141,909
Applicable Fraction (Low Inc. %)	100.00%
Qualified Basis	55,141,909
Credit Percentage (30% PV)	4.00%
Potential Annual Credit	2,205,676

LIH CREDIT ANALYSIS	State Credit
Annual LIH Credit Calculated	2,205,676
Annual LIH Credit Reserved	470,967
Allocation	470,967
Total Tax Credit	2,825,802
Investor Percentage	100.00%
Tax Credits for Syndication	2,825,802
Price per Credit	0.70
LIHTC Equity Raised	1,978,061

LIH CREDIT ANALYSIS	LIH Credit
Annual LIH Credit Calculated	2,205,676
Annual LIH Credit Reserved	2,205,676
Minimum Credit or Allocation	2,205,676
Total Tax Credit	22,056,760
Investor Percentage	99.99%
Tax Credits for Syndication	22,054,554
Price per Credit	0.9200
Federal LIHTC Equity Raised	20,290,190
Total Equity Raised	22,268,251

Westlawn Renaissance VII
FORECAST OF NET CASH FLOW FROM OPERATIONS

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		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	TOTAL
Income																	
Rental Income		\$ 960,312	\$ 979,518	\$ 999,109	\$ 1,019,091	\$ 1,039,473	\$ 1,060,262	\$ 1,081,467	\$ 1,103,097	\$ 1,125,159	\$ 1,147,662	\$ 1,170,615	\$ 1,194,027	\$ 1,217,908	\$ 1,242,266	\$ 1,267,111	\$ 16,607,076
Less: Vacancy	7.0%	(67,222)	(68,566)	(69,938)	(71,336)	(72,763)	(74,218)	(75,703)	(77,217)	(78,761)	(80,336)	(81,943)	(83,582)	(85,254)	(86,959)	(88,698)	(1,162,495)
Other Income (inc parking)		17,460	17,809	18,165	18,529	18,899	19,277	19,663	20,056	20,457	20,866	21,284	21,709	22,144	22,586	23,038	301,943
Less: Vacancy	7.0%	(1,222)	(1,247)	(1,272)	(1,297)	(1,323)	(1,349)	(1,376)	(1,404)	(1,432)	(1,461)	(1,490)	(1,520)	(1,550)	(1,581)	(1,613)	(21,136)
Effective Gross Income		909,328	927,515	946,065	964,986	984,286	1,003,972	1,024,051	1,044,532	1,065,423	1,086,731	1,108,466	1,130,635	1,153,248	1,176,313	1,199,839	15,725,388
Expenses																	
Operating Expenses		490,365	505,076	520,228	535,835	551,910	568,467	585,521	603,087	621,180	639,815	659,010	678,780	699,143	720,118	741,721	9,120,256
Real Estate Taxes		26,162	26,947	27,755	28,588	29,446	30,329	31,239	32,176	33,141	34,135	35,160	36,214	37,301	38,420	39,572	486,585
Management Fee		54,560	56,196	57,882	59,619	61,407	63,250	65,147	67,102	69,115	71,188	73,324	75,523	77,789	80,123	82,526	1,014,751
Reserve for Replacement	3.0%	29,100	29,973	30,872	31,798	32,752	33,735	34,747	35,789	36,863	37,969	39,108	40,281	41,490	42,734	44,016	541,228
Total Operating Expenses		600,187	618,192	636,738	655,840	675,515	695,781	716,654	738,154	760,299	783,107	806,601	830,799	855,723	881,394	907,836	11,162,820
Net Operating Income		309,141	309,322	309,327	309,146	308,770	308,191	307,397	306,378	305,124	303,624	301,865	299,836	297,525	294,918	292,003	4,562,567
Debt Service																	
First Mortgage		253,915	253,915	253,915	253,915	253,915	253,915	253,915	253,915	253,915	253,915	253,915	253,915	253,915	253,915	253,915	3,808,731
Total Debt Service		253,915	253,915	253,915	253,915	253,915	253,915	253,915	253,915	253,915	253,915	253,915	253,915	253,915	253,915	253,915	3,808,731
<i>DCR</i>		<i>1.217</i>	<i>1.22</i>	<i>1.22</i>	<i>1.22</i>	<i>1.22</i>	<i>1.21</i>	<i>1.21</i>	<i>1.21</i>	<i>1.20</i>	<i>1.20</i>	<i>1.19</i>	<i>1.18</i>	<i>1.17</i>	<i>1.16</i>	<i>1.150</i>	
Cash Flow		55,226	55,407	55,411	55,231	54,855	54,275	53,481	52,463	51,209	49,708	47,950	45,921	43,610	41,003	38,087	753,836
Asset Management Fee	5,000	5,000	5,150	5,150	5,305	5,305	5,464	5,464	5,628	5,628	5,796	5,796	5,970	5,970	6,149	6,149	83,923
Cash Flow		50,226	50,257	50,261	49,926	49,551	48,812	48,018	46,835	45,581	43,912	42,153	39,951	37,639	34,854	31,938	669,913
Deferred Developer Fee*																	
Payment	649,515	50,226	50,257	50,261	49,926	49,551	48,812	48,018	46,835	45,581	43,912	42,153	39,951	37,639	34,854	11,539	649,514
Current Balance		599,289	549,032	498,771	448,845	399,294	350,483	302,465	255,630	210,049	166,137	123,984	84,033	46,393	11,539	-	
Cash Flow Available		-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,399	20,399
Debt Service- Soft Loans	16,850,000																
HACM Loan/Grant	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,399	20,399
Total Debt Service- Soft Loans		-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,399	20,399
Net Cash Flow for GP Fees		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GP Partnership Management Fee	90%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Available Cash Flow for Distribution		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Partner	0.01%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Limited Partner	99.9900%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

	Annual Expense	Expense per Unit 97	% Gross Potential Rent
Administrative			
Management Fee 6.0%	54,560	486	5.7%
Bookkeeping Fees/Accounting	7,000	1,071	0.7%
Salaries	17,500	180	1.8%
Accounting & Legal	19,000	196	2.0%
Office Expenses	52,500	541	5.5%
Misc.	7,000	72	0.7%
Subtotal Administrative	157,560	1,624	16.4%
Maintenance:			
Maintenance & Repair	27,500	284	2.9%
Garbage and Trash	24,500	253	2.6%
Payroll	24,500	253	2.6%
Security; Payroll and benefits	7,000	72	0.7%
Other: Contracts	112,000	1,155	11.7%
Subtotal Maintenance	195,500	2,015	20.4%
Operating:			
Snow Removal	10,500	108	1.1%
Supplies	35,000	361	3.6%
Electricity	10,500	108	1.1%
Utilities-Water, Sewer, Gas	56,700	1,121	5.9%
Employee Benefits	21,000	216	2.2%
Payroll Taxes	4,800	49	0.5%
Property and Liability Insurance	49,000	505	5.1%
Subtotal Operating	187,500	1,933	19.5%
Real Estate Taxes:	26,162	1,143	2.7%
Total Annual Expenses	571,087	5,887	59.5%
Tax Credit Monitoring Expense	4,365	45	0.5%
Replacement Reserve:	29,100	300	3.0%
Total Annual Expenses w/Reserves	600,187	6,187	62.5%

PUPM

516

Starting Year Operations 2023
Starting Month Lease-Up 4
Gross Monthly Other Income \$ 80,026

Unit	Rent Level	Square Feet	Monthly Rent	Units
1 Bedroom RAD BR/1BTH	60%	727	\$	531
1 Bedroom LIHTC BR/1BTH	60%	834	\$	531
2 Bedroom RAD BR/1BTH	60%	1,284	\$	670
2 Bedroom RADBR/1BTH	60%	1,628	\$	670
2 Bedroom RAD BR/1BTH	80%	1,010	\$	670
2 Bedroom RAD BR/1.5BTH	60%	978	\$	670
2 Bedroom PBVBR/1.5BTH	60%	978	\$	900
3 Bedroom RAD BR/1.5BTH	60%	1,272	\$	876
3 Bedroom RAD BR/1.5BTH	60%	1,302	\$	876
3 Bedroom LIHTC BR/1.5BTH	60%	1,302	\$	876
3 Bedroom RAD BR/1.5BTH	80%	1,302	\$	876
3 Bedroom RAD BR/2BTH	60%	1,432	\$	876
4 Bedroom RAD BR/2BTH	60%	1,513	\$	939
4 Bedroom RAD BR/2BTH	80%	1,625	\$	939
4 Bedroom RAD BR/2.5BTH	60%	1,532	\$	939

' 023 Jan	' 023 Feb	' 023 Mar	' 023 Apr	' 023 May	' 023 Jun	' 023 Jul	' 023 Aug	' 023 Sep	' 023 Oct	' 023 Nov	' 023 Dec	' 023 Total
-	-	-	1	-	1	2	2	-	1	-	-	7
-	-	-	-	-	1	-	-	-	-	-	-	1
-	-	-	-	-	1	2	2	-	1	-	2	8
-	-	-	1	-	1	-	-	-	-	-	-	2
-	-	-	1	-	1	-	-	-	-	-	-	2
-	-	-	1	-	1	1	1	-	-	-	-	4
-	-	-	1	-	1	-	2	-	5	4	3	16
-	-	-	-	1	1	-	2	2	1	1	-	8
-	-	-	-	1	1	-	1	1	1	-	1	6
-	-	-	-	-	-	-	-	1	1	1	-	3
-	-	-	-	-	-	-	-	2	2	2	-	6
-	-	-	-	1	-	-	-	-	-	-	1	2
-	-	-	-	1	1	-	-	-	-	-	-	2
-	-	-	-	-	-	-	-	1	-	-	1	2
-	-	-	-	1	-	-	-	-	-	-	-	1
-	-	-	-	-	-	-	-	3	-	1	1	5

LI	-	-	-	5	10	20	25	35	45	57	66	75
Total	-	-	-	5	10	20	25	35	45	57	66	75

Year	Low Inc. Units	All Units	Low Inc SF	All Unit SF	Rehab Rent	Other Income
2023						
January	-	-	-	-	-	-
February	-	-	-	-	-	-
March	-	-	-	-	-	-
April	5	5	5,321	5,321	3,441	75
May	10	10	12,465	12,465	7,947	150
June	20	20	23,991	23,991	15,280	300
July	25	25	28,991	28,991	18,352	375
August	35	35	39,793	39,793	25,852	525
September	45	45	53,654	53,654	34,864	675
October	57	57	67,035	67,035	44,945	855
November	66	66	77,657	77,657	52,988	990
December	75	75	88,938	88,938	60,658	1,125
	29.04%	29.04%	28.51%	28.51%	264,327	5,070

' 024 Jan	' 024 Feb	' 024 Mar	' 024 Apr	' 024 May	' 024 Jun	' 024 Jul	' 024 Aug	' 024 Sep	' 024 Oct	' 024 Nov	' 024 Dec	' 024 Total
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
2	2	-	-	-	-	-	-	-	-	-	-	4
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3	3	12	-	-	-	-	-	-	-	-	-	18
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80	85	97	97	97	97	97	97	97	97	97	97	97
80	85	97	97	97	97	97	97	97	97	97	97	97

Year	Low Inc. Units	All Units	Low Inc. SF	All Unit SF	Total Rent	Other Income
2024						
January	80	80	94,800	94,800	66,388	275
February	85	85	100,662	100,662	70,904	275
March	97	97	116,286	116,286	81,627	275
April	97	97	116,286	116,286	81,627	275
May	97	97	116,286	116,286	81,627	275
June	97	97	116,286	116,286	81,627	275
July	97	97	116,286	116,286	81,627	275
August	97	97	116,286	116,286	81,627	275
September	97	97	116,286	116,286	81,627	275
October	97	97	116,286	116,286	81,627	275
November	97	97	116,286	116,286	81,627	275
December	97	97	116,286	116,286	81,627	275
	97.51%	97.51%	97.34%	97.34%	953,557	3,305

